

Table A.2

**FHA-Insured Loans and GSE Purchases As Shares of
Home Purchase Mortgages Originated
in Metropolitan Areas During 1997**

	<u>FHA-Insured</u>	<u>GSE Purchases</u>
Low-Income Borrowers	33% ¹	28-30%
African-American and Hispanic Borrowers	44%	24-27%
Low-Income Tracts	35%	31%
High Minority Tracts	37%	35%
Underserved Areas ²	33%	33%
All Loans	23%	44%

Source: 1997 HMDA data and 1997 GSE data.

Notes: The FHA figures (first column) refer to percentages of all newly-mortgaged home purchase mortgage loans (except jumbo loans above the conforming loan limit of \$214,600) in metropolitan areas that were FHA insured during 1997. The GSE figures (second column) are defined differently-- they include GSE purchases in metropolitan areas during 1997 of both 1997 and prior-year conventional mortgage originations. (About one-fourth of the GSEs' 1997 purchases were mortgages originated prior to 1997.) See Table A.7 for an analysis that focuses only on the GSEs' purchases of 1997 mortgage originations. The second GSE figure for the borrower income and race variables is calculated by reallocating missing GSE data for the variables. As with the FHA data, the GSE purchases are expressed as a percentage of the total market in metropolitan areas. In this table, the "total market" includes all (government and conventional) home purchase mortgages originated in metropolitan areas during 1997 that were below the conforming loan limit of \$214,600. The market data reported in HMDA are adjusted upward by 10 percent, which assumes that HMDA covers 90 percent of the metropolitan mortgage market. A lower coverage assumption would increase the market totals and thus reduce the GSE and FHA market shares. Assumptions about HMDA's coverage of FHA loans were based on a comparison of FHA loans as reported by 1996 HMDA data with FHA loans as reported by FHA for 1996. Thus, an updating of this FHA coverage analysis could change the FHA market shares reported here.

¹ That is, it is estimated that FHA insured for 33 percent of all home purchase loans that were originated during 1997 and were for low-income borrowers in metropolitan areas.

² Metropolitan census tracts with (1) median income less than or equal to 90 percent of AMI or (2) minority concentration greater than or equal to 30 percent and tract median income less than or equal to 120 percent of AMI.